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ABSTRACT

An investigation identified issues that are important for federal agencies to consider in designing and implementing employee involvement programs. Employee involvement programs in the private sector and in the federal government were studied. The use of seven involvement practices was examined: suggestion systems, survey feedback, quality circles, quality of work-life committees, job redesign, self-managing teams, and employee participation groups. Elements were identified that can help ensure the long-term oranizational support needed for the success of employee involvement programs. Management interest and support was found to be essential for successful implementation. A long-term strategy was shown to be needed to ensure a good match between employee involvement practices chosen and the organization's culture. The research supported the suggestions of experts that a strategy should include readiness assessment, communication, training, and evaluation. (YLB)

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United States General Accounting Office

GAO

Report to the Ranking Minority Member, Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, U.S. Senate

May 1988

EMPLOYEE INVOLVEMENT

Issues for Agencies to Consider in Designing and Implementing Programs

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United States
General Accounting Office
Washington, D.C. 20548

General Government Division

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May 23, 1988

The Honorable Ted Stevens
Ranking Minority Member, Subcommittee on
Federal Services, Post Office, and Civil Service
Committee on Governmental Affairs
United States Senate

Dear Senator Stevens:

This report responds to your request and a subsequent discussion with your Subcommittee that we identify issues that are important for federal agencies to consider in designing and implementing employee involvement programs. Recently, both private and public sector managers have shown growing interest in involving employees in decisions affecting their jobs and work environment, in large part due to the positive impact employee involvement can have on organizational productivity and employee morale. However, you were concerned that information did not exist to guide organizations in implementing formal programs to increase employee involvement.

Our objective was to collect such information and identify lessons learned that might help organizations desiring to expand their employee involvement efforts. We studied employee involvement programs in the private sector and in the federal government, and we examined the use of seven involvement practices: suggestion systems, survey feedback, quality circles, quality of work-life committees, job redesign, self-managing teams, and employee participation groups. (App. I contains our definitions of these practices.)

In the summer of 1987 we surveyed 934 private firms—the Fortune 500 industrial and Fortune 500 service companies[1] —and 19 federal agencies to determine the nature and extent of their employee involvement programs, the benefits perceived, and the factors promoting or hindering program adoption. We received responses from all 19 federal agencies surveyed, covering about 1.7 million full-time federal civilian employees, and from 476 private firms—about 51 percent of those surveyed—covering about 9 million full-time employees.

Private sector responses generally came from managers responsible for personnel, human resources, or employee involvement functions. Federal responses generally came from managers responsible for personnel

[1]The actual number of companies surveyed was less than 1,000 because of acquisitions, mergers, etc.

or other administrative functions. We corroborated the responses by consulting with two nationally recognized employee involvement experts. Our work was done between May 1987 and October 1987 in accordance with generally accepted government auditing standards.

Issues to Consider in Implementing Employee Involvement

Employee involvement practices can, depending on their approach, alter the relationships between supervisors and employees and the operations of the organization. Accordingly, managers and employees both must understand the parameters of the approach followed, particularly with regard to the matters covered and final decisionmaking authority.

If organizations are not prepared and barriers to change are not addressed, employee involvement will be ineffective or will not last. We have identified the following elements that can help ensure the long-term organizational support needed for the success of employee involvement programs.

Management Support

Management interest and support is essential for successful implementation. Management can lend its support by communicating the goals of employee involvement practices throughout the organization, thereby overcoming potential resistance. Managers also can promote these practices by changing management styles to demonstrate receptivity to employee input.

Our work and responses from the private firms and federal agencies surveyed confirmed that top and middle management support is the most important factor facilitating success. For example, a recent GAO report on suggestion systems pointed out that a key to success in the Air Force suggestion program was its broad support from all management levels.[2]

Further, respondents to our survey indicated the need to formalize this support. Over 80 percent of both private and federal organizations responding to our survey said that a clear policy statement as well as written employee involvement goals and objectives were important to effectively operate an employee involvement program.

[2]Federal Personnel: Agencies Need to Make Greater Use of Employee Suggestion Programs (GAO/GGD-87-44BR, Mar. 17, 1987).

Long-Term Strategy

A long-term strategy is needed to ensure a good match between employee involvement practices chosen and the organization's culture.[3] The American Productivity Center and other experts suggest that a strategy should include readiness assessment, communication, training, and evaluation;[4] our work supports these expert views.

- A readiness assessment should examine any barriers to implementation and identify employee involvement practices that best fit with the particular style and ability of the organization to adapt to the changes associated with these practices. Experts have attributed the failure of some employee involvement efforts to the application of an approach for which an organization was culturally unprepared. For example, the Merit Systems Protection Board studied federal organizations which had implemented quality circles.[5] The Board observed that a significant element inhibiting the acceptance of quality circles was the concern held by many mid-level managers and supervisors that such circles appear to challenge existing organizational relationships. Further, the American Productivity Center has said that if management at all levels does not understand the rationale for changing to a more participative management style, misconceptions will almost certainly foster supervisory resistance.

  The concept of self-managing teams, which delegates significant management decisionmaking authority to employee groups, challenges long-held, culturally based attitudes and authority relationships in organizations. The importance of a strategy that addresses an organization's culture also was underscored by 79 firms—accounting for about 17 percent of companies responding—that have no employee involvement practices. Respondents from these firms identified their current organizational culture as the major obstacle to greater employee involvement.

- Communication is considered by our survey respondents and by the Merit Systems Protection Board and the American Productivity Center to be one of the most important facilitators of participative management. Communicating management goals can set the direction for implementing employee involvement efforts throughout the organization.

[3]Organizational culture refers to that unique configuration of values, beliefs, and behaviors present in an organization that help to explain how its groups and individuals work together to get things done.

[4]John G. Belcher, Jr., Productivity Plus: How Today's Best Run Companies Are Gaining the Competitive Edge (Gulf Publishing Company, 1987).

[5]Getting Involved: Improving Federal Management With Employee Participation (U.S. Merit Systems Protection Board, May 1986).

Specific goals were identified by over 80 percent of both private firms and federal agencies as an important design element for the effective operation of employee involvement programs.

Our work and views of experts indicate how communication can facilitate participative management. Top management needs to make the organization aware of its support for these practices through such means as policy statements, rewards, and articles in employee newsletters. Employee participation in these practices is enhanced by publicity and guidance informing them of the opportunities provided. Also, sharing of work-related information with participating employees enables them to more effectively provide input into the decisionmaking process.

- Training—for managers and employees alike—helps people learn new skills called for by some types of involvement practices. For example, supervisors may need training in group leadership, listening, and providing feedback while nonsupervisory employees may need to improve their problem-solving skills. Management must be skilled in interpreting what it hears and clearly communicating its response, especially when total agreement on a particular issue or proposed action does not exist. About 70 percent of both private firms and federal agencies identified the presence of trainers and other staff devoted to employee involvement as important for effective implementation.

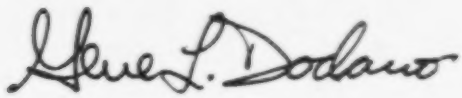
- Evaluating the changes being made needs to be done on a continuing basis. The organization needs to determine if expectations are being met, ensure that management support is continuing, and evaluate whether the organization is ready to implement employee involvement practices that provide employees increased participation in management decisionmaking. About 70 percent of the private firms and 70 percent of federal agencies said that formal measurement of employee involvement was a key design element.

In summary, the basic lesson to be learned from the experience of private firms and federal agencies is that successful employee involvement programs require supportive management and a long-range strategy to survive over the long term. A careful implementation approach is needed that seeks to modify the operating environment through organizational readiness assessment, effective training, communication, and continuous evaluation. Such an approach helps ensure that practices which effectively tap the creativity and motivation of employees will

become a permanent feature of organizational life. Without such a strategy, an organization's attempt at employee involvement will likely suffer from a lack of commitment and necessary support.

As requested by your Subcommittee, we did not obtain agency comments. Also, as arranged with your Subcommittee, we are sending copies of this report to the Director, Office of Management and Budget, and the Director, Office of Personnel Management.

Sincerely yours,



Gene L. Dodaro
Associate Director

Employee Involvement Practices

Practice	Definition
Suggestion System	Program that elicits individual employee suggestions on improving work or the work environment.
Survey Feedback	Use of employee attitude surveys, as part of a larger problem-solving process in which survey data are used to encourage, structure, and measure the effectiveness of employee participation.
Quality Circle	Group of employees that meet voluntarily in a structured environment to identify and suggest work-related improvements. The group's only power is to suggest changes.
Quality of Work-Life Committee	Committee of employees representing the union and management, usually prohibited from addressing contractual issues. It usually focuses on issues to improve organizational performance and employee work-life.
Job Redesign	Redesign of work to increase employee performance; for example, job enlargement to increase use of employee skills, broaden the variety of work performed, and provide the individual with greater autonomy.
Self-Managing Team	Group of employees given responsibility for a product or service and empowered to make decisions about assignment tasks and work methods. The team also may be responsible for its own support services and perform certain personnel functions.
Employee Participation Group	Group of employees, such as a team or work council, that does not fall within the definition of quality circle or a self-managing team.

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